

Appendix N. Sample Program Review Report

June 6, 1994

Mr. I.V. League, President
No Particular College
1 Main Street
Anytown, USA 00000

PRCN _____

Dear Mr. League:

On May 15-19, 1994, Ms. I. M. Perceptive, Program Officer, conducted a program review of the Title IV federal student financial assistance programs administered at your institution. The findings of that review are presented in the enclosed report.

This report contains findings regarding the school's administration of the Title IV student financial assistance programs. Following are some of the report's findings of noncompliance: 1) Independent Student Status Not Documented, and 2) Satisfactory Academic Progress Standards Not Monitored.

Note to Reviewer: Additional comments in this section may be appropriate if very serious problems are found in the program review. Refer to IRB Procedures Memorandum 91-28 for guidance.

Findings of non-compliance are referenced to the applicable statutes and regulations and specify the action required to comply with these statutes and regulations. Please review and provide a full response to the findings indicated in this report, detailing the corrective actions taken by the institution. Your response should be sent directly to this office, to the attention of Ms. Perceptive, within 30 days unless otherwise noted.

Note to Reviewer: New language will be incorporated into this letter explaining the consequences to the institution for failure to respond, or failure to provide a complete response.

I would like to express my appreciation for the courtesy and cooperation extended during the review. If you have any questions concerning this report, please call Ms. Perceptive at (555) 867-5309.

Sincerely,

Chief, Section I
Institutional Review Branch
Field Operations Service/IPOS
Student Financial Assistance Programs

Enclosure

cc: Ms. E. Sar, Financial Aid Administrator

*Sample Program Review Report (continued)***PROGRAM REVIEW REPORT**

Please note, a table of contents is not required as part of the report format, however it may be helpful in particularly lengthy reports.

No Particular College
1 Main Street
Washington, D.C. 20202
(555) 222-2222

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Sample Program Review Report (continued)

INSTITUTIONAL REVIEW DATA SHEET

No Particular College
1 Main Street
Washington, D.C. 20202
(555) 222-2222

DATES OF REVIEW: May 15-19, 1994

AWARD YEARS REVIEWED: 1991-92 1992-93 1993-94

STUDENT SAMPLE SIZE: 10 10 10

OPE ID #: 1000000X

EIN #: 00000000000005A

TYPE AND CONTROL: Proprietary/ 1 Year-Less Than
2 Years

ACCREDITATION: Accrediting Commission for
Schools Used in Examples

REVIEWING ED OFFICIAL(S): Ms. I.M. Perceptive

SFA PROGRAM PARTICIPATION (as of [insert appropriate date]):

<u>1991-92</u>	<u>1992-93</u>	<u>1993-94</u>	
\$500,000	\$600,000	\$400,000	Federal Pell Grant Program
			Federal Family Education Loan (FFEL) Programs:
600,000	575,000	500,000	Federal Stafford Loan
4,000	-0-	-0-	Federal SLS (FSLs)
-0-	30,000	35,000	Federal PLUS (FPLUS)
4,000	50,000	45,000	Federal Perkins Loan Program
9,000	-0-	-0-	Federal Supplemental Educational Opportunity Grant (FSEOG) Program

Source: Institutional Records (or other source as appropriate)

DEFAULT RATE: (1989) 22.0%

(1990) 40.1%

(1991) 30.1%

Source: U.S. Dept. of Education's Institutional Data System

Sample Program Review Report (continued)

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METHOD OF FUNDING:

Advance Payment

INSTITUTIONAL OFFICIALS CONTACTED:

Mr. I.V. League, President

Ms. E. Sar, Financial Aid Administrator

Mr. C.P. Accountant, Business Office Manager

Ms. A.T. Bee, Director of Admissions

Sample Program Review Report (continued)

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INTRODUCTION**A. BACKGROUND**

No Particular College opened in January 1969, at its current location. Branch campuses were opened in Baltimore MD in 1974, and Richmond VA in 1979. The institution is co-owned by Mr. I.V. League, and Mr. Strictly Anonymous. No Particular College offers training leading to a degree or certificate in the following fields:

Computer Science
Accounting
Medical Technician
Paralegal Specialist

No Particular College is accredited by the Accrediting Commission for Schools Used in Examples. School records indicate a current enrollment of approximately 265 students, with approximately 80% of the student body currently receiving financial aid. The institution participates in the Federal Pell Grant, FFEL, FSEOG, and Federal Perkins Loan programs.

B. SCOPE OF REVIEW

A program review was conducted during the week of May 15-19, 1994, to examine the administration of the Title IV SFA programs. The focus of the review was to determine No Particular College's compliance with the statutes and federal regulations as they pertain to the institution's administration of Title IV programs. The review consisted of, but was not limited to, an examination of No Particular College's policies and procedures regarding institutional and student eligibility, individual student financial aid and academic files, attendance records, student account ledgers, and fiscal records. In addition, interviews were conducted with students and appropriate institutional personnel.

A statistically valid sample was identified for review from the 1991/92, 1992-93, and 1993-94 award years. From this sample, the reviewer selected a random sample of student files. The student files were reviewed in detail, including academic, admissions, financial aid and fiscal records. The attached Appendix A lists the names and social security numbers of the students whose files were examined during the program review. Students are referenced throughout this report by the numbers noted in Appendix A.

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During the visit, some areas of noncompliance were noted. Findings of noncompliance are referenced to the applicable statutes and regulations and specify the actions to be taken by the institution to bring operations of the financial aid programs into compliance with the statutes and regulations.

Although the review was thorough, it cannot be assumed to be all-inclusive. The absence of statements in the report concerning the institution's specific practices and procedures must not be construed as acceptance, approval, or endorsement of those specific practices and procedures. Furthermore, it does not relieve No Particular College of its obligation to comply with all of the statutory or regulatory provisions governing the Title IV programs.

C. FINDINGS AND REQUIREMENTS

1. INDEPENDENT STUDENT STATUS NOT DOCUMENTED

FINDING: The institution failed to properly document three students' independent status for the 1991/92 award year.

Student #6 was processed as an independent student based on his assertions that he was not claimed as a tax exemption by his parents in 1989 and 1990, and that he had resources in excess of \$4000 in both 1988 and 1989. However, No Particular College did not collect documentation to support these assertions, as required in statute. The same deficiency was found in the files of students #7 and 9.

By failing to properly establish students' eligibility for Title IV, HEA funds, No Particular College may have deprived other needy students of funds, caused Title IV funds to be misdirected to ineligible students, and received Title IV funds for which it was not eligible.

REFERENCES: Higher Education Amendments of 1986 (P.L. 99-498) Section 480(d), enacted 10/17/86, effective 7/01/87
"Dear Colleague" Letter GEN 86-35, 11/86

REQUIREMENT: The Financial Aid Administrator (FAA) acknowledged that new staff members were hired during the 1991/92 award year, and that they had not been adequately trained about documentation requirements for independent students. The FAA stated that proper training was provided before 1992/93 awards were processed, and the reviewers observed that documentation was collected for all students in 1992/93.

Sample Program Review Report (continued)

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Therefore, due to the systemic nature of this finding for the 1991/92 award year, No Particular College must determine the extent of improper Title IV awards made to students in that year within 60 days of receipt of this letter.

To confirm the dependency status for all 1991/92 aid recipients, No Particular College has two options. It may either review the files of all Title IV recipients claiming independent status for the award year, or it may review all the students in the statistically valid sample claiming independence (see Appendix B for listing). In either case, the institution may collect documentation to ascertain students' correct status. If No Particular College determines that an incorrect status was used in determining the student's award, it must recalculate the award and will be liable for all Title IV funds disbursed in excess of the students' revised need. If the school is unable to collect appropriate data to support a claim of independence, and cannot perform dependent student calculations, it will be held liable for all Title IV funds disbursed to those students for the 1991/92 award year.

The institution must provide a report of all liabilities in a spreadsheet format with the following column headings:

Student's Name
Student's Social Security Number
Liability Amount (by Title IV Program)

Please note, all FFEL liabilities must reflect the total amount of funds approved for and disbursed to the student, including origination and guarantee fees. This amount will be greater than the amount received at the school. If the school chose to review the statistically valid sample, this office will extrapolate the liabilities over the universe of aid recipients for the 1991/92 award year. The school will be notified of the total liability amount in the Final Program Review Determination Letter. This letter will also contain instructions for payment of these liabilities.

Sample Program Review Report (continued)

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2. SATISFACTORY ACADEMIC PROGRESS STANDARDS NOT MONITORED

FINDING: The institution did not consistently apply its satisfactory academic progress (SAP) policy standards to all of its students.

The reviewers found that Title IV funds were disbursed to students #1 and 19 for the Fall 1993 semester even though their cumulative grade point averages were below the required standard (3.0) at the end of the Spring 1993 semester. There was no documentation that the institution made any exceptions to the SAP policy based on special circumstances.

By failing to adequately or consistently monitor SAP standards, the institution may be disbursing ineligible Title IV aid to students who have ceased to be making SAP; by failing to properly establish students' eligibility for Title IV, HEA funds, No Particular College may have deprived other needy students of funds, caused Title IV funds to be misdirected to ineligible students, and received Title IV for which it was not eligible.

REFERENCES: 34 CFR 668.7(c), General Provisions, 12/1/87
34 CFR 668.14(e), General Provisions, 12/1/87
reissued as
34 CFR 668.16(e), General Provisions, 4/29/94

REQUIREMENT: Federal regulations require an institution to consistently apply its SAP standards for measuring whether a student is maintaining satisfactory academic progress before disbursing Title IV funds. Unless the institution can provide documentation that the students were meeting SAP requirements for the Fall 1993 semester, all Title IV funds disbursed to students #1 and 19 for that semester are institutional liabilities.

In response to this finding, No Particular College must either provide documentation substantiating the students' eligibility, or confirm the liability amounts. The institution must also provide written assurances that SAP standards will be consistently applied and monitored for all students in the future. Instructions for the payment of any liability will be provided in the Final Program Review Determination letter.

Sample Program Review Report (continued)

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3. INCONSISTENT INFORMATION IN STUDENT FILE

FINDING: The review of Student #8's file revealed inconsistent information. The 1992/93 student aid report (SAR) indicates that the student had \$0 income in 1991, but the student noted on her 1991/92 financial aid application that she had worked from June through December 1991.

The financial aid office maintains separate files of students' application information separately for each award year. The Financial Aid Administrator confirmed that staff usually reviews only a student's current year's file, and would therefore not identify a discrepancy from a previous year's file, as noted for student #8.

No Particular College's failure to resolve inconsistent information could result in the improper use of Title IV, HEA funds and deprive eligible, needy students of assistance.

REFERENCES: 34 CFR 668.14(f), General Provisions, 12/1/87
 reissued as
 34 CFR 668.16(f), General Provisions, 4/29/94
 34 CFR 690.77(b), Federal Pell Grant, 10/14/87

REQUIREMENT: An institution must identify and resolve all discrepant information before disbursing Title IV funds.

In response to this finding, No Particular College must contact student #8 and resolve the discrepancy. If the student's income for 1991 changes as a result, a revised need analysis must be performed. The institution is liable for any Title IV funds disbursed in excess of the student's revised need. The institution is liable for all Title IV funds disbursed in 1992/93 (except FPLUS or FSLs funds) if it is unable to contact the student and resolve the discrepant information.

No Particular College must also apprise this office of procedures it has developed and implemented to ensure that inconsistent information is identified and resolved prior to the disbursement of Title IV funds. Instructions for the payment of any liability will be provided in the Final Program Review Determination letter.

Sample Program Review Report (continued)

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4. FSEOG MATCHING FUNDS REQUIREMENT NOT MET

FINDING: The institution did not provide matching funds in a timely manner for the FSEOG disbursed for the 1991-92 award year. The institution matched the funds drawn and disbursed throughout 1991-92 after the end of the award year, on July 9, 1992. By not making the institutional match in a timely manner, the institution reduced the funds available, therefore depriving eligible students of need-based aid.

REFERENCE: 34 CFR 676.21 Federal SEOG Program, 12/1/87

REQUIREMENT: Beginning with the 1989/90 award year, institutions were required to match the federal share of FSEOG funds with the institutional contribution at the time the federal funds are disbursed. The institution must provide written assurances that it has implemented procedures to ensure it provides the institutional match of FSEOG federal funds in a timely manner. A recurring finding in the future could result in an informal fine being proposed.

D. TECHNICAL ASSISTANCE**RECOMMENDATION**

Discussions with the Admissions Director regarding identifying "no-show" students revealed that the institution allows students to begin classes up to 30 days after instruction commenced. This practice appears to put such students at a severe disadvantage, especially in the shorter 600 clock hour programs. There appear to be no procedures for evaluating whether such students have any preexisting knowledge that would facilitate their ability to quickly make up the coursework they missed. The Department is concerned that this practice may place these students at a severe disadvantage, and may hinder their ability to successfully complete their programs of study.

We recommend that the institution reevaluate the process of allowing students to begin classes so late after instruction has commenced. We also recommend that No Particular College evaluate the past performance of students admitted under this criteria, and consult with its accrediting body for further recommendations. We request that the institution apprise this office of any decisions or actions taken with regard to this recommendation.

Sample Program Review Report (continued)

NAME OF INSTITUTION: **No Particular College**

Appendix A

1991-92 Award Year

	<u>Student's Name</u>	<u>Social Security Number</u>
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		

1992-93 Award Year

11.
12.
13.
14.
15.
16.
17.
18.
19.
20.

1993-94 Award Year

21.
22.
23.
24.
25.
26.
27.
28.
29.
30.